

ALCALDE & FAY

GOVERNMENT & PUBLIC AFFAIRS CONSULTANTS

31 July, 2009

Ms. Heather Hunt
U.S. Department of Justice
10th & Constitution Avenue, N.W.
National Security Division
Counterespionage Section/Registration Unit
Bond Building - Room 9300
Washington, DC 20530

Dear Ms. Hunt:

Please find enclosed documents that Alcalde & Fay (Reg. #5898) has disseminated on behalf of Milanka and Bogoljub Karic to various agencies and persons in the Federal government.

Per 22 U.S.C. § 614 (a) we have enclosed two copies of each to be filed with the Department of Justice.

Thank you for your attention to this matter, and do not hesitate to contact me about this matter at (703) 841-0626, or via email at Brown@alcalde-fay.com.

King regards,



Shantrel Fields

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Mr. Bogoljub Karić -- Biography

Bogoljub Karić is a Serbian businessman, entrepreneur, and political reformer now living in exile. He has been deemed a threat by the current government led by President of Serbia Boris Tadić, leader of the Democratic Party (DS).

Mr. Karić became an entrepreneur in 1978 during the Communist regime and created one of the first successful private enterprises in what was then Yugoslavia, eventually opening the first private factory in the country. That factory was located in Kosovo where he employed ethnic Albanians, Serbs, Bosnians, and others without regard to ethnicity. His only interest was in their ability to be productive workers.

Mr. Karić founded Serbia's first private bank, its first mobile phone company (Mobtel), insurance company, Internet service provider, and construction firm. He created BK TV, the highest rated private television station with a national frequency, and he developed many other companies in various business sectors. He also founded a university.

He declared his intention to run for president during the elections of 1996 as an opposition candidate against Slobodan Milošević, espousing democratic changes and a capitalist future for Serbia. The Serbian authorities immediately reacted to Mr. Karić's proposed candidacy by shutting down BK TV transmitters (BK TV was the only national TV station that had reported on the three-month long demonstrations against Milošević's regime), and by turning off Mobtel's base stations and delaying the release from customs of new equipment for the mobile network. In light of this intimidation and threats to his life Mr. Karić decided not to run in the elections after all.

Three years later, in 1999, Mr. Karić was tapped by Milošević's regime—which at that time appeared to be taking up reforms and had initiated a privatization program—to be an Economic Minister without portfolio and provide counsel on business and economic matters. Mr. Karić, however, broke with Milošević's regime and resigned his post after a few months as it became apparent to him that Milošević had no real intention of instituting reforms.

Again, in 2004 Mr. Karić decided to pursue the Presidency of Serbia. He garnered 18.2 percent of the votes, coming in third and then threw his support to Boris Tadić who ultimately won the presidency. Subsequent to Tadić's becoming president, his administration began to level unfounded charges and accusations against Mr. Karić and his family. During this time, Mr. Karić began to have his wealth expropriated and his companies destroyed; after two attempts on his life, he was driven into exile for his own safety. There currently exist three criminal charges against him in Serbia.

According to his European attorneys, the Serbian Ministry of Interior has requested an Interpol Red Notice for Mr. Karić's arrest, although none officially exists on public Interpol records.

Mr. Karić's goal is to be able to return home to Serbia and take part in civic life without restrictions. An important step in this process would be for the United States to acknowledge the political nature of the criminal charges against him, and allow him to travel to this country to clear his name.

Per the Foreign Agents Registration Act (22 U.S.C. § 614 (b)), this, and the enclosed documents, have been prepared on behalf of Bogoljub Karić, a Serbian national

SUMMARY OF MR. BOGOLJUB KARIĆ'S POLITICAL PERSECUTION¹

13 March 2009

A. MR. KARIĆ'S INVOLVEMENT IN SERBIAN POLITICS

1. Mr. Karić first faced political persecution by the Serbian Government in 1996-1997. Mr. Karić planned to run in the Serbian presidential election against Slobodan Milošević. Mr. Karić's company, BK Telecom Ltd., was the only national television station that reported fairly on the opposition rallies against Mr. Milošević. The Serbian authorities reacted to Mr. Karić's proposed candidacy by turning off BK Telecom Ltd's TV repeaters. The Serbian authorities also retaliated against Mobile Telecommunications "Serbia" BK-PTT Ltd ("**Mobtel**", a mobile telephone company that Mr. Karić developed), by turning off the mobile network's base stations and by delaying the release from customs of equipment for Mobtel. In light of this intimidation, Mr. Karić decided not to run in the election.
2. In 2004, Mr. Karić again determined to run for president and announced his candidacy. Mr. Karić won 18.2% of the votes in the first round of the election, and placed third, ahead of the Democratic Party of Serbia candidate, who was supported by all members of the ruling coalition.
3. After the election, Mr. Karić formed a new political party, the **PSS**. Later in 2004, the PSS won a number of seats in the parliament in the Autonomous Province of Vojvodina. Prior to the election, five Members of Parliament formed a separate parliamentary caucus "for European Serbia," supporting the PSS. The government believed that this group threatened to take away its parliamentary majority. By December 2005, the PSS's popularity rating in independent public polls was 20%, and it was perceived by the ruling coalition as a serious threat.

B. THE SERBIAN GOVERNMENT'S PERSECUTION OF MR. KARIĆ

4. As a response to Mr. Karić's political success, the Serbian government launched a campaign against Mr. Karić and various companies in the Karić group. Such companies have been subject to governmental interference and have had their operations halted (e.g. Mobtel, BK Telecom Ltd., Astra Bank). The Serbian government's campaign involved, *inter alia*, weakening Mr. Karić's sources of income, initiating criminal investigations against Mr. Karić, and mounting a media campaign aimed at turning public opinion against him. The Serbian government subsequently requested an Interpol Red Notice to be issued against Mr. Karić.

¹ A chronology of the events mentioned in this summary and related to Mr. Karić's political persecution is set out in the attached chart.

a) CRIMINAL CHARGES RELATED TO MOBTEL

5. We understand that the Interpol Red Notice issued against Mr. Karić is based on an alleged abuse of official position in relation to Mobtel. It is alleged that Mr. Karić never upheld his end of the partnership by contributing the necessary equipment and instead allegedly presented falsified invoices with increased values for such equipment, to direct money to his other businesses. Such charges are completely false and unsubstantiated. Indeed, the Commercial Court of Belgrade has confirmed that Mobtel's books are in order.
6. The charges against Mr. Karić relate to events in 1994 and 1999. The relevant provisions of the Serbian Criminal Law entered into force in January 1996. The criminal charges were only brought against Mr. Karić in 2006, shortly before the January 2007 presidential elections, in some cases, twelve years after the relevant events. Even were these charges to have any validity (they don't), the statute of limitations should apply.

Additionally, two other criminal charges have been leveled against Mr. Karić; 1.) attempted bribery of a member of parliament and 2.) tax evasion. These charges have no validity and are politically motivated.

7. Mr. Karić has submitted a formal application to the European Court of Human Rights in relation to the charges against him, alleging violations of the Convention for the Protection of Human Rights and Fundamental Freedoms ("**Human Rights Convention**").

b) WITHDRAWAL OF BK TELECOM'S LICENSE

8. In April 2006, BK Telecom Ltd., one of Serbia's most popular television stations and one in which Mr. Karić was a shareholder until December 2004, had its license withdrawn by Serbia's Republican Broadcasting Authority ("**RBA**"). This followed the RBA's decision not to award a license to BK Telecom Ltd. in a public tender. The RBA also issued two temporary revocations of BK Telecom Ltd.'s license.
9. BK Telecom has filed an application with the European Court of Human rights against the Republic of Serbia, complaining of the Serbian government's ongoing breaches of the Human Rights Convention with respect to BK Telecom Ltd.

c) WITHDRAWAL OF ASTRA BANK'S LICENSE

10. In recent years, Astra Bank (a private bank in which Mr. Karić held a direct financial interest until December 2000) has been unable to function, because the Serbian government has repeatedly illegally revoked its license. Astra Bank has

appealed against such revocations, and has obtained seventeen rulings in its favor from the highest courts in Serbia. Each time a revocation has been successfully challenged by Astra Bank, the National Bank has refused to enforce the ruling and has issued a fresh revocation decision. As a result, Astra Bank remains unable to operate.

11. These actions have resulted in a series of violations of the Human Rights Convention. Astra Bank has filed an application against the Republic of Serbia with the European Court of Human Rights.

d) MR. KARIC WAS PREVENTED FROM RUNNING IN THE
2007 ELECTIONS

12. One of the most flagrant examples of Mr. Karić's political persecution relates to Mr. Karić's candidacy for the 2007 Serbian presidential election. As the election approached, Mr. Karić applied for, but was refused, a residency permit, a formal requirement for candidates to run for political office. Mr. Karić's application was refused on the grounds that an investigation had been initiated against him. However, such investigation did not justify the refusal. Mr. Karić filed an appeal against this decision, which was ultimately rejected. The refusal to grant Mr. Karić a residency permit kept him from running in the 2007 presidential election.
13. Moreover, because of the Interpol Red Notice, Mr. Karić was not able to participate in the November 2007 Kosovo elections.

e) CONCERNS FOR MR. KARIC'S LIFE

14. Two assassination attempts were made against Mr. Karić in January 2006. In addition, shortly after Mr. Karić announced his intention to return to Serbia during the presidential election campaign, a bomb was planted under the car of one of Mr. Karić's cousins as a message to Mr. Karić (he believes) should he have decided to return to Serbia for the election campaign. Members of the PSS were also physically harassed during the election campaign and the PSS's offices were burgled.

ANNEX

CHRONOLOGY OF BUSINESS AND POLITICAL EVENTS LEADING TO KARIC CRIMINAL CHARGES AND EXILE

DATE	EVENTS
April 1994	<ul style="list-style-type: none"> • Creation of Mobtel by way of a joint venture contract between BK-Trade and PTT (the company was registered in May 1994). The Contract provides that BK-Trade would have a 51% share in Mobtel and PTT would have a 49% share. • The Contract gives BK-Trade the right to control and operate the sole mobile phone network in Serbia for a period of 20 years.
1996-1997	Mr. Karić plans to run in Serbia's presidential elections in opposition to Slobodan Milošević. The Serbian authorities react to the above by, inter alia, turning off TV repeaters for BK TV as well as Mobtel's base stations, and by delaying the release from customs of equipment for Mobtel.
January-February 1997	A joint BK-Trade / PTT working group issues a report concluding that BK-Trade met its contractual obligations with respect to contribution in Mobtel.
February 1997	Mobtel's managing board issues a decision (signed by PTT's appointed representative) confirming that BK-Trade has made capital contributions in accordance with the Contract.
February 1997	The Belgrade Commercial Court registers the additional capital contributed to Mobtel.
April 1998	BK-Trade and PTT enter into Annex I to the Contract, in which BK-Trade agrees to the formation of a new, competing, state-run mobile operator company, <u>subject to</u> PTT's agreement to make indemnity payments to BK-Trade for the resulting loss of exclusivity.
February 1999	<ul style="list-style-type: none"> • BK-Trade and PTT sign an "Agreement on the temporary method of indemnification for profits lost due to the connection of the second operator." • Pursuant to this Agreement, PTT agrees to pay BK-Trade a 13% share of PTT's income realized in relation to Mobtel.
1999	<ul style="list-style-type: none"> • At the behest of Western interests, Karić briefly serves in the Milošević regime as Minister without portfolio providing economic counsel. • Karić intercedes with Milošević and helps free three American soldiers who had been captured during the bombing of Kosovo. • Karić resigns office after realizing Milošević has no intention of effecting real reform.
April 2000	Mobtel's managing board, approves the distribution of profits between BK-Trade and PTT, in accordance with the Contract and the "Agreement on the temporary method of indemnification for profits lost due to the connection of the second operator."

2001-2007	Astra Bank's banking license is repeatedly (and illegally) revoked (a total of nine times). In parallel, administration proceedings are also repeatedly initiated.
November 2001	A "super tax" is imposed on Mobtel by the Republic of Serbia's Public Revenue Service totaling about US\$ 23 million, which Service directs the National Bank of Yugoslavia to withdraw the money from Mobtel's bank account.
February 2002	PTT petitions the Belgrade Commercial Court to place Mobtel under administration following BK-Trade's refusal to transfer its interest in Mobtel to PTT.
June 2002	The Court-appointed temporary administrator of Mobtel, Mr. Branislav Andjelić, certifies that BK-Trade has fully contributed the capital required under the Contract.
June 2002	The Belgrade Commercial Court confirms that the total authorized capital has been fully paid by BK-Trade in the proportions stipulated by the Contract.
September 2003	BK-Trade initiates arbitration proceedings in Zürich against PTT further to renewed threats of expropriation.
December 2003	Decision of the Ministry of Finance and Economics implementing the decision of the Supreme Court of Serbia to return to Mobtel the money unlawfully collected as a "super tax."
Early 2004	Mr. Karić announces his candidacy for Serbia's presidential elections.
June 2004	<ul style="list-style-type: none"> • Mr. Karić wins 18.2% of votes in first round of Serbia's 2004 presidential elections (coming third). • Mr. Karić throws his support to now-President Tadić, ensuring his victory in the subsequent election.
Mid-2004	Evropa Osiguranje's (BK insurance company) license is revoked and the company is placed in liquidation.
December 2004	Mr. Karić forms the political party, PSS.
December 2005	<ul style="list-style-type: none"> • The independent public poll rating of PSS is 20%. • Mr. Karić is charged with attempt to bribe a member of parliament.
December 2005	Mobtel's license is revoked.

January 2006	Two assassination attempts against Mr. Karić take place.
February -- May 2006	The Serbian authorities initiate two investigations against Mr. Karić with respect to Mr. Karić's alleged intention to fail to contribute to Mobtel equipment as provided for in the contract.
April 2006	BK Telecom Ltd.'s broadcasting license is not renewed (and remains so). In parallel, the license is temporarily revoked by the RBA.
May 2006	Second decision by the RBA temporarily revoking BK Telecom Ltd.'s broadcasting license.
June 2006	The investigations initiated against Mr. Karić on 18 February 2006 are transferred to the Special Section of the District Court of Belgrade, on the basis of alleged organized crime.
October 2006	Mr. Karić is forced into self-imposed exile after learning the regime intends to have him arrested upon return to Serbia from a business trip abroad.
October 2006	The Special Section of the Belgrade District Court orders a warrant issued for Mr. Karić's arrest.
Mid-November 2006	Serbian Ministry of Interior requests the issuance of Interpol Red Notice
December 2007	BK Telecom Ltd. Files an Application with the European Court of Human Rights against Serbia.
January 2008	Astra Banka, A.D., Yucyco Limited, Nosteco Trading Limited and Secyco Limited, file an Application with the European Court of Human Rights against Serbia.
2008 -- 2009	Repeated petitions made to Interpol requesting removal of Red Notice, all of which have received no substantive answer.